

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SHAKERTOWN CORPORATION,
WILLIAM R. WALLS, COMPLAINANT

VS.

FOX CREEK RURAL ELECTRIC COOPERATIVE
CORPORATION, DEFENDANT

CASE NO. 9875

O R D E R

In December 31, 1986, correspondence (Appendix A) to the Commission, the Shakertown Corporation ("Shakertown") requested that the Fox Creek Rural Electric Cooperative Corporation ("Fox Creek") be ordered to relinquish protected service area to Shakertown's preferred provider of electrical service, the Kentucky Utilities Company ("KU"). Shakertown had requested expanded service from KU, its current electrical supplier, for an adjacent property recently purchased by Shakertown. KU had refused service to Shakertown on the annexed property upon discovery that the terminating point of requested service was located in Fox Creek's protected service area.

On January 14, 1987, a conference was held with all parties concerning this matter. Of primary concern to Shakertown was the requirement for three-phase service at the new location and the calculated \$30,000 in additional cost for acquiring this service from Fox Creek rather than KU. Upon investigation, it was discovered that the annexed property is divided by the established

service boundary between Fox Creek and KU. The portion of the property currently under development by Shakertown is within Fox Creek's service area, while property scheduled for development at a later time is within the service area of KU. A memorandum dated January 29, 1987, and additional correspondence dated January 22, 1987, summarizing issues resulting from this conference are attached as Appendices B and C, respectively.

Due to Shakertown's continued assertion that service should be provided by KU and reluctance to accept service from Fox Creek and based upon the information presented at the conference, the Commission is of the opinion that a hearing is required in order to gather more information and give the parties an opportunity to provide any additional information.

IT IS THEREFORE ORDERED that the parties shall appear before the Commission on March 18, 1987, at 1:30 p.m., Eastern Standard Time, in the Commission's offices, Frankfort, Kentucky, to provide additional testimony as appropriate for the purpose of resolving this issue.

Done at Frankfort, Kentucky, this 10th day of March, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director



SHAKERTOWN

AT PLEASANT HILL, KENTUCKY, INC.

Dial [606] 734-5411

Route 4, Harrodsburg, Kentucky 40330

December 31, 1986

Mr. Rush W. Dozier, Jr.
Vice Chairman
Public Service Commission
P. O. Box 615
730 Schenkel Lane
Frankfort, Kentucky 40602

Dear Mr. Dozier:

In June 1986, Shakertown acquired a 480.3 acre farm, know as the West Lot, and once a part of the Shaker Village of Pleasant Hill. Our short range plan is to restore and adapt the historic buildings on the property as the Shakertown Roundtable Center and conference facilities which would accommodate meetings and seminars. The long range plan is to reestablish the environment of the first settlement on Shaker Creek of the period 1805 to 1835. Following this plan, we will reconstruct the various mills and create a living farm to interpret the mechanical arts and agricultural practices of the 19th century Shakers.

Restoration is underway on the main building of the West Lot with the heating and cooling equipment scheduled to be installed in the next sixty to ninety days. Three phase electric service will then be required, and with the area presently serviced by Fox Creek Rural Co-op of Lawrenceburg, we will be required to finance the extension of the service from Mundy's Landing, a distance of 2.6 miles and at a cost of approximately \$37,000.00.

Kentucky Utilities has served the entire Village since it was opened in April 1968 and they have a three phase line approximately one-half mile from the location. The cost to Shakertown for receiving the service from the existing three phase to the location would be approximately \$5,000.00 or a savings exceeding \$30,000.00

With the above situation, we met with the Fox Creek officials and requested that they relinquish the West Lot account. They refused to give up the account, so we are requesting that the Public Service Commission intercede and rule that Kentucky Utilities be allowed to provide the three phase electric service to the location.

We are hopeful the Commission will see fit to effect this change. If you require additional information, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. R. Walls', written in a cursive style.

William R. Walls.



FOX CREEK RURAL ELECTRIC
COOPERATIVE CORPORATION
P.O. BOX 150 - 1200 VERSAILLES ROAD
LAWRENCEBURG, KY 40342 - 502/839-3442

September 24, 1986

Mr. Bill Walls
& Shakertown
3500 Lexington Road
Harrodsburg, KY 40330

I have now completed the estimated cost for providing three phase electric power to the Shaker Farm area which we presently serve.

The amount of line to be converted is approximately 2.6 miles. The estimated cost is \$36,819.81. This cost is firm for a period of six months.

If I can assist you, or if you would like to discuss this service further, please contact me.

FOX CREEK RURAL ELECTRIC
COOPERATIVE CORPORATION

Harold Milburn
Manager, Operations



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

January 7, 1987

Mr. William R. Walls
Shakertown at Pleasant Hill
Route 4
Harrodsburg, KY 40330

Dear Mr. Walls:

Your letter of December 31, 1986, to Commissioner Dozier has been forwarded to my office with a request that I initiate an investigation of the proposed service to the new facility. I have scheduled a meeting with the utilities involved for January 14, 1987, at 10:00 a.m. in my office located at 677 Comanche Trail, Frankfort, Kentucky.

I would like for you to attend this meeting if possible. Please notify me if you are able to attend. My number is 502-564-7488.

Sincerely,

A handwritten signature in cursive script, reading "Claude G. Rhorer, Jr.".

Claude G. Rhorer, Jr., Director
Division of Utility Engineering
and Services

CGR:jep



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

January 7, 1987

Mr. Robert M. Hewett
Vice President
Kentucky Utilities Company
One Quality Street
Lexington, KY 40507

Dear Mr. Hewett:

Earlier this week the Commission received a letter from Mr. William R. Walls of Shakertown (copy attached for your review) concerning his efforts to obtain electric service to facilities being renovated on a 480.3 acre farm recently purchased. KU has served the Village since it opened in April 1968. The farm, however, is evidently in the service area of Fox Creek RECC. Mr. Walls requested that KU be allowed to service the entire village including the new acquisition.

The Commission has directed that I discuss this matter with all parties concerned to see if an agreement can be reached. Therefore, I am scheduling a meeting with all parties for January 14, 1987, at 10:00 a.m. in my office located at 677 Comanche Trail, Frankfort, Kentucky. Please have someone from your company attend and bring any service maps you may have available to aid in this discussion. If you have any problems with this request, please contact me at your convenience.

Sincerely,

A handwritten signature in cursive script, reading "Claude G. Rhorer, Jr.".

Claude G. Rhorer, Jr., Director
Division of Utility Engineering
and Services

CGR:jep
Attachment



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

January 7, 1987

Mr. Bob Kincer
Acting General Manager
Fox Creek RECC
P. O. Box 150
Lawrenceburg, KY 40342

Dear Mr. Kincer:

Earlier this week the Commission received a letter from Mr. William R. Walls of Shakertown (copy attached for your review) concerning his efforts to obtain electric service to facilities being renovated on a 480.3 acre farm recently purchased. KU has served the Village since it opened in April 1968. The farm, however, is evidently in the service area of Fox Creek RECC. Mr. Walls requested that KU be allowed to service the entire village including the new acquisition.

The Commission has directed that I discuss this matter with all parties concerned to see if an agreement can be reached. Therefore, I am scheduling a meeting with all parties for January 14, 1987, at 10:00 a.m. in my office located at 677 Comanche Trail, Frankfort, Kentucky. Please have someone from your company attend and bring any service maps you may have available to aid in this discussion. If you have any problems with this request, please contact me at your convenience.

Sincerely,

A handwritten signature in cursive script, reading "Claude G. Rhorer, Jr.".

Claude G. Rhorer, Jr., Director
Division of Utility Engineering
and Services

CGR:jep
Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: The Commission
FROM: Claude G. Rhorer, Jr. *CR*
DATE: January 29, 1987
SUBJECT: Wall's Complaint - Shakertown Corporation

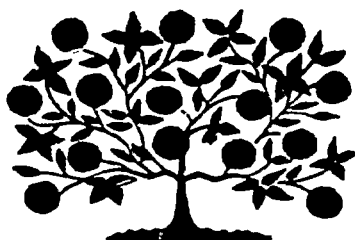
On January 14, 1987, a conference was held with all parties concerning Shakertown's request for electrical service by KU to its new Roundtable Center and conference facilities. The facilities presently being constructed are in Fox Creek's service area, but the cost for providing three phase service to the location would be approximately \$30,000 cheaper if provided by KU. KU presently has three phase service .5 mile away, while Fox Creek's nearest three phase service is 2.3 miles away.

Both companies were represented at the meeting (attendance list attached), and all parties agree that the facilities presently being constructed are in Fox Creek's service area. It did appear from the maps presented that at least part of the 480 acre farm does lie within KU certified territory. This farm was initially part of the Shakertown property but was not included in the present operation when KU initiated service in 1968. In fact, the building presently receiving service on the farm has been served with single phase service by Fox Creek since 1939. In the discussions Fox Creek questioned the need for three phase service in the planned development. It was agreed that Fox Creek's engineers would discuss this need with Shakertown's architects and report back to the Commission their conclusions. I have not received that report to date.

I had hoped that some agreement could be reached in the conference between all parties as to who should serve the property. While KU officials would like to serve the entire property and would certainly wish to serve that portion presently in KU's service territory, Fox Creek would not agree to release the customer. Mr. Wall's of Shakertown Corporation agreed to furnish a plat of the planned development but stated that he wishes to pursue the matter in a public hearing. I would suggest that the hearing not be scheduled until such time as the additional information on single phase vs. three phase is furnished.

CGR:jep
Attachment

Rice Hall	Chickston
Claude Rhorer	PSC
Jack Hughes	PSC
Bob Johnston	PSC
HAROLD MILBURN	FOX CREEK P.E.C.C.
Ben Kincer	" " "
Ralph Combs	" " "
Bob Hewitt	KU Co
Don Dunn	KU Co
Doyle Baker	KU. Co



SHAKERTOWN

AT PLEASANT HILL, KENTUCKY, INC.

Dial [606] 734-5411

Route 4, Harrodsburg, Kentucky 40330

January 22, 1987

RECEIVED

Mr. Claude G. Rhorer, Jr.
Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

JAN 23 1987
DIVISION OF UTILITY
ENGINEERING & SERVICES

Dear Mr. Rhorer:

Enclosed is a map with an enclosed section outlined in red showing the 480.3 acres we acquired in June 1986 and which is presently being served electric current by Fox Creek Rural Electric. The two red squares are the two houses which are in the process of being restored. The red triangles denote the mills which are planned for future construction. These structures will be located in territory presently served by Kentucky Utilities.

Will you request that Jack Hughes forward the necessary papers for Shakertown to submit this requested change of electric suppliers to the Public Service Commission.

If you need additional information, let me know.

Sincerely,

W R Walls

William R. Walls
Vice President
Corporate Affairs

Enclosure

